

## Message Text

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PAGE 01 STATE 215786

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E.O. 11652: N/A

TAGS: BEXP, BR, UK

SUBJECT: GLOBAL MARKET RESEARCH/AVIONICS AND AVIATION SUPPORT

EQUIPMENT: BRAZIL

REF: T 14353

1. AS STAED REFTEL, FROM USDOC STATFORD BRAZIL SURVEY NOT ACCEPTABLE TO COMMERCE IN PRESENT FORM. REPORT REQUIRES COMPREHENSIVE OVERHAUL AND RESTRUCTURING AS WELL AS ADDITIONAL ASSESSMENT AND ANALYSIS OF RAW DATA IN ORDER TO PROVIDE PRESENTATION CONSISTENT WITH SPECIFICATIONS, AND TO REACH STANDARDS SET BY STRATFORD'S BID PROPOSAL AND MET BY OTHER STRATFORD SURVEYS. GENERAL DEFICIENCIES ARE AS FOLLOWS:

A. REPORT DOES NOT STAND ALONE AND IS NOT COMPLETE STRATFORD EFFORT, BUT REQUIRES FREQUENT REFERENCE TO OTHER RESEARCH AND PUBLICATIONS, SOME OF WHICH PRODUCED BY US GOVERNMENT. SUCH INFORMATION PROVIDED TO STRATFORD WAS FOR BACKGROUND ONLY AND WAS IN NO WAY TO SUPPLANT ORIGINAL RESEARCH, ANALYSIS AND CONCLUSIONS. ALL REFERENCES TO OBR'S, CONSULATE GENERAL REPORTS, ETC. SHOULD BE ELIMINATED.

UNCLASSIFIED

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PAGE 02 STATE 215786

B. STRATFORD SIDESTEPED MAKING MANY OF THE ESTIMATES AND JUDGEMENTS REQUIRED TO FULFILL DATA, TREND IDENTIFICATION AND PRODUCT ANALYSIS SPECIFICATIONS.

C. PRESENTATION INCOHESIVE, AND IS INCONSISTENT WITH SPECIFICATIONS FORMAT. IT CONTAINS INFORMATION AND COMMENTS SUGGESTING THAT LITTLE WAS DONE TO EVALUATE, INTEGRATE AND EDIT ORIGINAL FIELD RESEARCH NOTES.

2. SPECIFIC CRITIQUE FOLLOWS, WITH COMMENTS KEYED TO SECTIONS OF RESEARCH REPORT. CITATIONS OF SPECIFICATIONS ARE IN PARENS:

1.0 SUMMARY; (SPECS 3.11.01) SHOULD BE "A SUMMARY OF KEY FINDINGS AND PRINCIPAL CONSLUSIONS". DISCUSSION TOUCHES ON EVERYTHING FROM "ENIGMATIC BRAZILIAN SCENE" TO AIRLINE SALES PROJECTIONS, BUT NOWHERE PRESENTS CONCLUSIONS ABOUT THE MARKET FOR AVIONICS AND AVIATION SUPPORT (AAS) EQUIPMENT, WHERE IT HAS BEEN, WHERE IT IS GOING, AND WHAT SALES POTENTIAL IT OFFERS TO US SUPPLIERS.

2.1 SIZE OF AVIONICS EQUIPMENT MARKET: NEED MARKET SIZE ESTIMATES FOR 1972, AND ESTIMATED VALUE OF DOMESTIC PRODUCTION OF AIRBORNE AND GROUND AVIONICS EQUIPMENT, SINCE, RESEARCH INDICATES DEVELOPING DOMESTIC PRODUCTION. TOTAL GROUND AVIONICS SALES FOR 1974 AND 9175 ESTIMATED AT US DOLS 1.7 MILLION, WHILE IMPORTS PLACED AT DOLS 1.2 MILLION. IS \$9) 500 THOUSAND DIFFERENTIAL DOMESTIC PRODUCTION, AND IF SO WHY IS DOMESTIC PRODUCTION SHOWN AS NIL? DISJOINTED NARRATIVE SECTION FAILS RELATE TO "MARKET FACTORS AND TRENDS" WHICH "RATIONALE FOR '75-78 FORECASTS" PER (SPECS 3.21.02E).

2.2 AVIONICS IMPORTS: PROPOSAL SAID ASA COULD SYNTHESIZE SPECIFIED IMPORT DATA FROM TRADE INTERVIEWS. EXPECT AT LEAST ASA BEST ESTIMATED (TO NEAREST 5-10 PERCENT). US IMPORT SHARE, IDENTITY MAJOR FOREIGN COMPETITOR AND ITS ESTIMATED MARKET SHARE FOR BOTH AIRBORNE AND GROUND AVIONICS.

2.3 MARKET PROSPECTS FOR AVIATION SUPPORT EQUIPMENT: DISCISSION SHOULD "ASSESS THE MARKET PROSPECTS" AND "JUSTIFY CONCLUSIONS" FOR EACH PRODUCT GROUPING OF THIS EQUIPMENT AS UNCLASSIFIED

UNCLASSIFIED

PAGE 03 STATE 215786

REQUIRED (SPECS 3.23.01). TABLE 4 (SPEC APPENDIX G) DOES NOT IDENTIFY MAJOR FOREIGN COMPETITOR AND MARKET SHARE FOR EACH CATEGORY. REQUEST STRATFORD BEST ESTIMATES TO COMPLETE TABLE.

2.4 MOST SALEABLE PRODUCTS: SELECTIONS SHOULD NOT BE BASED ON US CONSULATE REPORT BUT RATHER ON CONCLUSIONS ASA RESEARCH.

2.5 US COMPETITIVE POSITION: SECTION SHOULD DISCUSS RELATIVE

POSITION OF US AND OTHER FOREIGN SUPPLIERS IN AAS EQUIPMENT EQUIPMENT SUBCATEGORIES, AS NOW WRITTEN CONTAINS ONLY UNINTEGRATED AND NON-CONCLUSIVE STATEMENTS ABOUT VARIOUS SALES AND END-USERS. STATEMENT MADE THAT "DOMESTIC PRODUCERS NOT IN POSITION TO COMPETE EXCEPT IN VERY SMALL EQUIPMENT MARKETS" BUT NO IDENTIFICATION OF WHAT MARKETS, OR ADVANTAGES WHICH PERMIT THEM TO COMPETE, AS REQUIRED BY (SPECS 3.25.01A). RE THIRD COUNTRY COMPETITORS, NO DISCUSSION MARKETING PRACTICES, FINANCING, OR OTHER COMPETITIVE FACTORS. (SPECS 3.25.01B) REFERENCE TO EX-IM BANK PUBLICATION INAPPROPRIATE; IF EX-IM FINANCING IS A COMPETITIVE FACTOR SHOULD BE SO STATED AND EXPLAINED HOW. PRINCIPAL COMPETITORS NOT IDENTIFIED PER (SPECS 3.25.01E) --FOR EXAMPLE, STATEMENT MADE THAT FRENCH SUPPLIED 15 PERCENT OF DEPV EQUIPMENT PURCHASES, BUT NO INDICATION WHAT KIND OF EQUIPMENT WHAT FIRM SUPPLIED IT, ETC.

3.1-3.2 CIVIL AVIATION AUTHORITY-AIRPORT ADMINISTRATION: INFORMATION CALLED FOR IN (SPECS 3.33.01 AND 3.31.01) JUMBLED IN REPORT SECTIONS 3.1 AND 3.2. ORGANIZATION, MISSION AND FUNCTIONS OF MINISTRY OF AVIATION, INFRAERO, DAC, DEPV AND MYRIAD OTHER COMPONENTS OF AVIATION AUTHORITY AND AIRPORT ADMINISTRATION SHOULD BE CLEARLY DISTINGUISHED AND THEIR INTER-RELATIONSHIPS EXPLAINED ASA SHOULD EXPLAIN AND ASSESS IMPLICATIONS OF WHAT APPARENTLY A TRANSITION SITUATION IN THIS AREA. SECTION ON AIRPORTS AND AIR NAV FACILITIES PLAN (SPECS 3.3K.02-04) SHOULD NOT REFERENCE AND SUPPLEMENT US CONSULATE REPORT; NEED COMPLETE EVALUATION.

3.3-4-5 INTERNATIONAL, DOMESTIC, AND SUPPLEMENTAL CARRIERS: RE (SPECS 3.33-34-35.03) PROJECTED EQUIPMENT PURCHASES: IN ABSENCE BUDGET AND OTHER INFORMATION FROM AIRLINES, STRATFORD SHOULD EITHER MAKE ESTIMATES OF PROBABLE EQUIPMENT REQUIREMENTS AND SOURCES, OR CLEARLY ASSESS REASONS FOR DIMINISHED REQUIREMENTS. UNCLASSIFIED

UNCLASSIFIED

PAGE 04 STATE 215786

EMY GENERAL AVIATION: LACKS ESTIMATES OF HOURS FLOWN AND END USER PROFILE PER (SPEC 3.36.05)

3.7 FIXED BASE OPERATORS: EXTENSIVE SUPPLEMENTARY LISTS OF FIRMS AUTHORIZED BY DAC AND CTA INDICATES THERE A LARGE NUMBER OF ORGANIZATIONS PERFORMING FBO FUNCTIONS OUTLINED IN (SPEC 3.30.01G). OVERLAP OF SUPPLEMENTARY CARRIER OR GENERAL AVIATION ACTIVITIES WITH FBO ACTIVITIES NOT UNUSUAL, AND NUMBER AND RANGE THESE FIRMS MERITS DISCUSSION PER (SPEC 3.37.01A-E). PROFILE INFORMATION SHOULD BE EXPANDED TO INCLUDE ESTIMATES OR OTHER INFORMATION REFLECTION LIKELY HOOD OF FUTURE EQUIPMENT PURCHASES, TO FULLY RESPOND TO (SPECS 3.37.02 A-J).

5.3 TRADE LISTS. MAJOR PROSPECTIVE CUSTOMERS LIST INCLUDES

ONLY FIVE FIRMS. PER (SPEC APPENDIX K AQ B1) LIST SHOULD INCLUDE 25-35 ESTABLISHMENTS JUDGED BY STRATFORD MOST LIKELY TO BE MAJOR PROSPECTIVE CUSTOMERS FOR US SUPPLIERS, WHICH REQUIRES STRATFORD SCREENING OF SUPPLEMENTARY LISTS OF DEPV AND CTA APPROVED FIRMS.

3. SUPPLEMENTARY INFORMATION SUBMISSION ALONE WILL NOT BE SUFFICIENT TO REMEDY THE MAJOR STRUCTURAL AND ORGANIZATIONAL DEFICIENCIES OF REPORT, WHICH USELESS TO COMMERCE IN PRESENT FORM. STRATFORD HAS UNTIL OCT. 11 RPT OCT 11 TO COMPLETELY REFORM AND RESUBMIT REPORT. PLEASE ADVISE SOONEST RESULTS YOUR DISCUSSIONS WITH STRATFORD. INGERSOLL

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